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Report of the Working Group on the issue of human rights and transnational corporations and other business enterprises

Addendum

Visit to Azerbaijan* **

Summary

In the present report, submitted pursuant to Human Rights Council resolution 26/22, the Working Group on the issue of human rights and transnational corporations and other business enterprises describes its findings during its visit to Azerbaijan from 18 to 27 August 2014. During its visit, the Working Group focused on efforts by the Government and companies operating in the country to prevent, protect against and redress human rights abuses by business enterprises, in conformity with the Guiding Principles on Business and Human Rights. The Working Group makes observations about the general context and the legislative and policy framework (chaps. II and III) and the level of awareness about business and human rights and the framework set out in the Guiding Principles (chap. IV). It then highlights a number of issues of particular importance in the national context, namely, the space for participation of civil society; efforts to tackle corruption and abuse of public positions; the oil and gas sector and the construction industry; and labour rights (chap. V). The Working Group also makes observations on access to remedy, the third pillar of the Guiding Principles (chap. VI) and on ways forward to strengthen the national policy framework (chap. VII). The Working Group concludes the report with specific recommendations for further action.

* The summary of the present report is circulated in all official languages. The report itself, contained in the annex, is circulated in the language of submission only.

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Annex

[English only]

Report of the Working Group on the issue of human rights and transnational corporations and other business enterprises on its visit to Azerbaijan (18 – 27 August 2014)

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I. Introduction

1. At the invitation of the Government of Azerbaijan, two members of the Working Group on the issue of human rights and transnational corporations and other business enterprises, Puvan Selvanathan and Pavel Sulyandziga, visited, pursuant to Human Rights Council resolutions 17/4 and 26/22, the State from 18 to 27 August 2014. The objective of the visit was to assess efforts to prevent and address the adverse human rights impact of business-related activities in accordance with the Guiding Principles on Business and Human Rights.

2. The experts met with government authorities from the Ministries of Foreign Affairs, Internal Affairs, Justice, Labour and Social Protection, Economy and Industry, and Energy. In addition, it held meetings with representatives of the Supreme Court, the State Committee for Family, Women and Children's Affairs, the State Agency on Procurement, the State Town Building and Architecture Committee, the State Agency for Public Service and Social Innovations of the President of the Republic of Azerbaijan, the State Oil Fund, and the State Committee for Property Affairs. In addition, they met with members of Parliament, and representatives of the Office of the Commissioner for Human Rights (Ombudsman), the Institute of Human Rights, the Azerbaijan Trade Union Confederation, and the Azerbaijan Republic Chamber of Commerce, as well as with representatives of a range of local and international business enterprises, civil society organizations, the media, the diplomatic community, and United Nations agencies in Azerbaijan. The experts travelled to Ganja, the second-largest city, where they met with local public authorities and representatives of civil society and businesses, including workers and managers.

3. The Working Group focused, in particular, on the extractive industries, including the oil and gas sectors and the aluminium-producing industry. It also examined labour issues, corruption and the rights and needs of individuals from groups or populations in a vulnerable situation, as well as the administration of access to remedy, the registration of non-governmental organizations and the situation facing human rights defenders and independent media.

4. The Working Group is grateful to the Government of Azerbaijan for its invitation and for its assistance before, during and after the visit to the State. It also thanks the organizations, businesses and individuals with whom it met during its visit, and who facilitated site visits and meetings with relevant stakeholders. It appreciated the open and constructive discussions on the progress and challenges in the protection of human rights in the context of business activities.

5. In the present report, the Working Group describes its findings and makes recommendations for actions that may assist in addressing and remedying the challenges identified.

II. General context

6. Azerbaijan gained independence from the Soviet Union in 1991. It has an estimated population of 9.7 million. Situated at the crossroads between Eastern Europe and Western Asia, the country is divided into 66 districts, 77 cities and 13 urban districts. Since 2003, Azerbaijan has been led by President Ilham Aliyev. The country's first Parliament, the *Milli Majlis*, was elected in 1995 and consists of 125 deputies. The judiciary is structured as a three-tiered court system that consists of trial courts of general and special jurisdiction, appellate courts, the Supreme Court and the Constitutional Court.

7. An unresolved armed conflict in and around the Nagorno-Karabakh region of Azerbaijan has resulted in more than 600,000 internally displaced persons today and

thousands more refugees.[1] A ceasefire signed in 1994 remains fragile, with reports of sporadic violations. Some of the interlocutors with whom the Working Group met described the situation as a "frozen conflict"; when discussing business and human rights, interlocutors repeatedly raised the issue of internally displaced persons as one of the main human rights issues affecting the country.

8. Azerbaijan has experienced a period of sustained economic growth over the past decades, driven by increasing revenues from oil and gas. Overall private companies, including international corporations, play an increasing role in the economy, following a policy of privatization of State-owned enterprises since the country's independence in 1991.

9. Oil and gas have always been the mainstay of the State's economy. According to information provided by the Government, in 2014, the oil and gas sector accounted for 39 per cent of GDP; oil, oil products, natural gas and electricity made up 92 per cent of exports, and the oil sector made up 65 per cent of State budget revenues. The main actor in the sector is the State-owned oil company SOCAR, which works in partnership with several international oil and gas companies. In recent years, the Government has sought to diversify the economy to ease the country's dependence on hydrocarbon revenues, a sector that, despite its economic significance, accounts for less than 1 per cent of total employment.[2] Azerbaijan has witnessed a construction boom in the past decade, mainly since the Government embarked on a programme of urban renewal largely in the capital city, Baku. Other significant industries include telecommunications, agriculture, manufacturing and the service sectors, particularly wholesale and retail trade, and hotels and restaurants services.

10. High economic growth in the 2000s saw the Government initiate large public sector investment programmes and policies to expand social assistance (such as social protection transfers to the population) and to increase wages. This helped to substantially reduce poverty and improve the distribution of wealth. There was a steep decline in poverty rates from 46.7 per cent in 2002 to 8.4 per cent in 2011;[3] the World Bank estimated that poverty stood at 6 per cent of the population in 2012.[4] The average monthly nominal wage of workers increased from 44.3 Azerbaijani manats (AZN) in 2000 to 444.3 AZN in 2014.

11. The proportion of low-wage earners has, however, increased since 2000, reaching 40 per cent of the population in 2010.[5] Inequality remains high, especially in urban areas and between genders. The 2008 Living Standards Measurement Survey showed the country-wide Gini coefficient to be 31, with inequality in cities higher at 32.8 and lower in rural areas at 27.1.[6] Azerbaijan ranked 62 out of 149 countries in the 2013 UNDP Gender Inequality Index. Women's average wages are less than half those of men (56.8 per cent in 2009 – a steady increase since data were first collected in 2003), despite the fact that women make up almost half of the labour force. The labour market is also heavily gender segregated, even though the educational qualifications of women and men are almost equivalent. Women tend to work in low-wage sectors and do not move far up the pay

[1] Submission of the Office of the United Nations High Commissioner for Refugees for the compilation report of the Office of the United Nations High Commissioner for Human Rights for the review of Azerbaijan during the sixteenth session of the universal periodic review.

[2] World Bank, Azerbaijan Partnership Program Snapshot, April 2015.

[3] United Nations Development Programme (UNDP), "About Azerbaijan" (available at www.az.undp.org/).

[4] World Bank, data on Azerbaijan (available at http://data.worldbank.org/country/azerbaijan).

[5] International Labour Organization (ILO), Decent Work Country Profile: Azerbaijan, 2012.

[6] World Bank, Azerbaijan Partnership Program Snapshot (see footnote 2).

ladder. The proportion of women in executive positions has stagnated at around 10 per cent over the past decade.[7]

12. According to data provided by the Government, unemployment has steadily declined over the past decade, from 9.2 per cent in 2013 to 4.9 per cent in 2014. Its recent decrease (of 0.3 per cent between 2012 and 2013) was due to job creation in the non-tradable sectors, such as construction, hotels and restaurants, and in retail trade. Youth unemployment and informal employment continue, however, to pose a challenge. The country has a young population: 40 per cent are younger than 24 years of age. Important advances have, however, been made to address youth unemployment, which dropped to 29 per cent in 2012 from 42 per cent in 1999.[8] The share of people working without formal labour contracts has stood consistently at 67 per cent in recent years, a problem that particularly affects women and workers in regions outside Baku.[9]

III. Legislative and policy framework

13. Azerbaijan has signed all nine of the core international human rights treaties and has ratified or acceded to eight of them.[10] It has also signed, and in some cases ratified, all Optional Protocols, with the exception of two.[11] In addition, Azerbaijan has ratified all eight core conventions of the International Labour Organization (ILO) that cover four categories of principles and rights: freedom of association and the right to collective bargaining; the elimination of forced labour; the abolition of child labour; and the elimination of discrimination in respect of employment and occupation. It has also ratified 44 of the 177 ILO technical conventions and four ILO governance conventions relating to labour inspection, employment policy and tripartite consultations.

14. The country has a monist legal system. The Constitution,[12] adopted by referendum in 1995, states that international agreements undertaken by Azerbaijan (including international human rights treaties) constitute an integral part of the legislative system (art. 148, II). According to article 151, whenever there is disagreement between international agreements and treaties and domestic normative-legal acts (except the Constitution and acts accepted by referendum), the provisions of international agreements take precedence.

15. The Constitution protects a range of human rights, including the right to life (art. 27), equality before the law and prohibition of discrimination on the basis of race, nationality, religion, language, sex, origin, financial position, occupation, political convictions, membership of political parties, trade unions and other public organizations (art. 25). In addition, the Constitution stipulates that nobody may be subject to torture or degrading treatment or punishment (art. 46), and protects the rights to property, freedom of thought and speech, and a healthy environment. It also provides protections for workers (art. 35) and the right of workers to establish and join trade unions (art. 58). The Constitution grants citizens the right to appeal decisions and allows them to criticize the

[7] ILO, Decent Work Country Profile (see footnote 5).

[8] Ibid.

[9] World Bank, "Azerbaijan Partnership Program Snapshot" (see footnote 2).

[10] Azerbaijan is yet to ratify the International Convention for the Protection of All Persons from Enforced Disappearance, which it signed in 2007.

[11] Azerbaijan has signed but not ratified the Optional Protocol to the International Covenant on Economic, Social and Cultural Rights. It has also neither signed nor ratified the Optional Protocol to the Convention on the Rights of the Child on a communications procedure.

[12] Constitution of the Republic of Azerbaijan, available at http://azerbaijan.az/portal/General/Constitution/doc/constitution_e.pdf.

activity or work of State bodies, their officials, political parties, trade unions or other public organizations, and also the activity or work of individuals (art. 57).

16. The Government has a number of key policy documents that focus on human rights and broader social and economic issues. In December 2011, a presidential decree approved a national programme of action to improve the protection of human rights and freedoms in the Republic of Azerbaijan. The programme document comprises five chapters, focusing on improvement of the regulatory and legal framework; the protection of the rights of various population groups; improving the activity of government agencies; educational, scientific, analytical and awareness-raising activities in the area of human rights; and cooperation with international organizations in the field of human rights.

17. The "Azerbaijan 2020: Look into the Future" development concept,[13] approved by presidential degree in December 2012, was designed to address current social and economic challenges. Its main policy objectives include (a) to diversify the economy to reduce dependence on oil and gas through the development of human capital to lay the foundation for a transition to a knowledge-based economy; (b) to develop the social sphere by improving the general welfare of the population, including through facilitated access to quality education, health care and social security systems, improved labour conditions and the creation of equal opportunities for women; and (c) to deepen democracy by improving the business environment and ensuring human rights and freedoms and the active status of civil society in public life.

IV. Awareness of business and human rights

18. The meetings held by the Working Group with representatives of key stakeholders, including of the Government, business enterprises and civil society revealed that, in general, awareness of business and human rights issues and of the Guiding Principles on Business and Human Rights was limited. At the same time, there are also indications of progress and an increasing recognition of the importance of the business and human rights agenda.

19. Scant reference was made during meetings held by the Working Group to any relationship between business activities and human rights beyond the protection of workers' rights. In the Working Group's dialogue with representatives of business, the latter sought advice on how human rights considerations might inform their activities given that there was a clear need for further guidance and assistance to business in this area.

20. The Working Group recognizes that business may be less familiar with human rights issues than Governments and civil society, and that it may face challenges in integrating and interpreting human rights within corporate systems and decision-making processes. The recent establishment of a United Nations Global Compact Local Network shows that some business enterprises are beginning to take human rights-related issues into consideration. The Local Network, together with business associations, could play an important role in raising awareness about and demystifying human rights among their members.

21. The Office of the Commissioner for Human Rights (Ombudsman) is another example of new attention being given to business and human rights issues. Since its 2014 edition, the annual reports of the Ombudsman include a section on "business and human rights" containing descriptions of activities undertaken in this area, including discussions with relevant government authorities, national confederations of trade unions and

[13] See www.president.az/files/future_en.pdf.

employers, and civil society organizations. Also, in 2013, the Ombudsman facilitated the establishment of a working group composed of relevant State bodies and non-governmental organizations. At the initiative of the Office, the Guiding Principles on Business and Human Rights have been translated into the Azerbaijani language and distributed to the members of the Working Group and to civil society organizations. The Working Group welcomes these and other such initiatives, which provide a clear opportunity for raising awareness and the inclusion of the human rights agenda in national development.

22. In general, when the Working Group asked questions about the country's most salient business and human rights issues, the public authorities met during the mission typically mentioned two areas: (a) the situation facing internally displaced persons and refugees as a consequence of the armed conflict in and around the Nagorno-Karabakh region of Azerbaijan; and (b) the "right of entrepreneurs" to start and develop a business in the country.

23. The Working Group acknowledges that, in the national context, the above-mentioned issues are highly important ones. At the same time, it is important to note that these issues are not central to the framework set out in the Guiding Principle focused on the obligation of the State and the responsibility of business enterprises to prevent and protect against business-related abuse of human rights.

24. Company programmes o assist internally displaced persons were mentioned as examples of corporate social responsibility, not of how companies implemented their responsibility to protect human rights throughout their operations.

25. The concept of the "right of entrepreneurs" is set out in a specific law, backed also by policies such as the "National Fund for Entrepreneurship Support"[14] and is referred to in the Azerbaijan 2020 development concept (see para. 17 above). The Constitution of Azerbaijan also enshrines the "right for business activity", stating that "everyone may, using his/her possibilities, abilities and property, according to existing legislation, individually or together with other citizens, carry out business activity or other kinds of economic activity not prohibited by the law" (art. 59). Likewise, the national programme of action to improve the protection of human rights and freedoms refers to "strengthening the rights of entrepreneurs".

26. The Working Group appreciates the importance of protecting entrepreneurs and small businesses against abuse. In particular, it was reported that those who start up a business face obstacles relating to "red tape" and corruption, such as arbitrary exclusion from bidding processes in public procurement. The Guiding Principles and the mandate of the Working Group do not, however, focus on the human rights abuses faced by enterprises, but rather on the abuses caused by their activities.

27. On the basis of its observations, the Working Group concludes that much awareness-raising and capacity-building are needed to ensure that all stakeholders understand the respective duties and responsibilities of States and business enterprises to tackle human rights risks related to business activities.

28. The Working Group notes that the Azerbaijan 2020 development concept includes the objective of developing "a strategy and State programme on corporate responsibility". This objective could offer an important opportunity to raise awareness about how the international human rights framework provides specific guidance on the corporate responsibility of business enterprises.

[14] See http://anfes.gov.az/en.

29. The State's steady economic growth and diversification poses both opportunities and challenges related to the impact of business on human rights. As previously noted by the Working Group, all countries, particularly those undergoing economic development, need to maximize the positive effects of business (including economic development, building infrastructure and employment) while minimizing negative impact (such as damage to the environment, the violation of labour rights, and reduced access to economic, social and cultural rights) (A/HRC/23/32/Add.1, para. 4). With its changing economy, the State's institutions will come under pressure to keep up with effectively preventing and addressing human rights risks. A national plan of action for the implementation of the Guiding Principles could help the Government of Azerbaijan to identify areas of particular risk, thereby allowing it to prioritize the strengthening of laws, regulations, policies and oversight of human rights protection.

30. At the same time, the business enterprises operating in Azerbaijan, both foreign and local, also have an independent responsibility to respect human rights. This responsibility is a global standard of expected conduct for all businesses wherever they operate, regardless of the State's abilities and/or willingness to fulfil its own human rights obligations. To avoid infringing on the human rights of others, the Guiding Principles state that business enterprises should institute a policy commitment to meet their responsibility to respect human rights; undertake ongoing human rights due diligence to identify, prevent, mitigate and account for their human rights impact; and have in place processes to enable remediation for any adverse human rights impact that they cause or to which they contribute.

V. Issues in specific contexts

A. Inclusiveness and participation

31. Multi-stakeholder approaches involving the Government, business and civil society organizations are particularly important in the area of business and human rights. Such inclusive approaches allow for interests to be balanced and the formulation of well-informed policies that respond more effectively to the needs and concerns of both businesses and those whose rights may be affected by business activities. In this respect, an independent civil society and the media play an important role in promoting transparency and accountability in business operations, particularly where human rights concerns may arise. An active civil society engaged in these issues is also essential in advocating for progress and in the monitoring of implementation of the Guiding Principles by the Government and all business enterprises.

32. The Guiding Principles recognize the important and valuable role played by independent civil society organizations and human rights defenders. In particular, Principle 18 underlines the essential role of civil society and human rights defenders in the identification of potential adverse business-related human rights impact, while Principle 26 underlines how States, in order to ensure access to remedy, should ensure that the legitimate activities of human rights defenders are not obstructed.

1. Space for civil society participation

33. The Working Group welcomes the Government's policy commitments in the Azerbaijan 2020 development concept to enhanced cooperation between the Government and civil society organizations by means of a national plan of action for the development of civil society. The Government's stated objectives include the adoption of legislation that (a) stimulates a conducive environment and financial support for civil society; (b) leads to the

creation of "non-governmental organization houses" and education centres; and (c) increases civil society participation in the development of State programmes and public commissions. The Development Concept also underlines the importance of greater inclusion of civil society in policymaking and in promoting freedom of speech and information, including by improving the regulation of information and mass media in compliance with international standards.

34. At the same time, the Working Group noted with concern signs that the space for independent civil society appears to be contracting. In this regard, it regrets that it was unable to engage with some civil society actors who had been placed in pretrial detention in the weeks and months prior to the mission. The arrest of a number of prominent civil society actors was brought to the direct attention of the Working Group as a human rights mechanism within the United Nations and because of its scheduled visit to Azerbaijan. The experts had arranged to meet with a number of the said civil society actors prior to their arrest to discuss the situation of business and human rights in Azerbaijan.

35. The Working Group received reports that civil society organizations, human rights defenders, journalists and civic and political activists had suffered harassment, intimidation or arrest. It also notes that the Special Rapporteur on the situation of human rights defenders, the Special Rapporteur on the promotion and protection of the right to freedom of opinion and expression and the Special Rapporteur on the rights to freedom of peaceful assembly and of association issued a statement on 19 August 2014 in which they condemned the growing tendency to prosecute prominent human rights defenders in Azerbaijan.[15] Similar observations were made by the Commissioner for Human Rights of the Council of Europe after a two-day visit to the country in October 2014.[16]

36. In its dialogue with the Government, when the Working Group raised the issue of the recent arrests of prominent civil society actors, it was informed that the Government was in the process of setting up a working group to look into the matter. It was subsequently informed that a joint working group on human rights issues, including representatives of State bodies and non-governmental human rights organizations (which had previously operated from 2005 to 2008), had been restored in October 2014 on the initiative of the head of State and the Secretary-General of the Council of Europe.

37. The Working Group heard first-hand accounts of how several civil society organizations working on human rights issues faced increasing difficulties with registration and had had their bank accounts frozen; consequently some organizations had to cease their activities. From the information received, the grounds for freezing bank accounts derived from recent amendments to the law on non-governmental organizations (public associations and foundations), the law on grants, and requirements for registration of grants with the Ministry of Justice.

38. From the meetings held with a broad range of civil society organizations, the Working Group noted generally that organizations supported by funding from non-governmental sources, such as grants from international organizations, were evidently more affected by these new administrative requirements than organizations supported by the Government.

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[15] OHCHR, "Persecution of rights activists must stop – UN experts call on the Government of Azerbaijan", press release, 19 August 2014.

[16] Council of Europe, "Azerbaijan: Stop reprisals against human rights defenders", press release, 24 October 2014. See also Third party intervention by the Council of Europe Commissioner for Human Rights under Article 36, paragraph 3, of the European Convention on Human Rights: Application No. 81553/12, *Hilal Mammadov v. Azerbaijan*, CommDH(2015)5, 19 February 2015.

39. During its visit, the Working Group encouraged the Government to proceed with measures to simplify grant registrations. It urged the Government to ensure that the legitimate activities of human rights defenders are not obstructed and that procedures pertaining to the process of registration and approval of grants are transparent, avoid any perception of bias and are conducted in an efficient and timely manner. The Government informed the Working Group that work was being carried out to improve regulations regarding the registration of grants.

40. The Working Group also met with investigative journalists who explained how they had been subjected to harassment and intimidation as a result of their work to expose corrupt business practices. It has been reported that, since the visit of the Working Group, one of the said journalists was arrested and is being held in pretrial detention. The Working Group is deeply concerned that actions such as these may interpreted as reprisals against individuals working to expose corruption by a privileged few, thereby undermining the broader agenda for development.

2. Extractive Industries Transparency Initiative

41. The difficulties faced by independent civil society organizations are reflected in concerns about the State's compliance with its commitments made under the *Extractive Industries Transparency Initiative*.

42. Azerbaijan is a founding and governing board member of the EITI, an international coalition of Governments, companies and non-governmental groups that promotes government openness in natural resources management. The EITI collects and publishes data on government revenues from oil, gas and mining with the objective of fostering open public debate about how revenues are used. A key EITI requirement is "effective multi-stakeholder oversight, including a functioning multi-stakeholder group that involves the government, companies, and the full, independent, active and effective participation of civil society."

43. The discussions held by the Working Group with representatives of the civil society mechanism of the EITI strengthened the impression that its process is a greatly valued opportunity to engage in direct dialogue with the Government and the representatives of the oil and gas sector. The Working Group was informed that some member organizations were currently unable to function or contribute to the EITI given that their bank accounts had been frozen. Despite these difficulties, those with whom the Working Group met disagreed with calls made by some international human rights organizations that the EITI should suspend Azerbaijan's membership because of its restrictive new laws regulating non-governmental organizations.[17]

44. The Working Group notes that concerns over the State's treatment of civil society organization had led the EITI to send a mission to Azerbaijan in September 2014 to examine the extent to which civil society representatives could play their role in it. Following the mission and a meeting of the EITI International Board in Myanmar in October 2014, the Board adopted a decision on Azerbaijan in which it, inter alia, called upon the Government to ensure that civil society representatives substantively involved in the EITI process are able to "freely access and use funding to carry out their activities" and "speak freely about the EITI process and express views on natural resource governance without fear or threat of reprisal or harassment".[18] The Board agreed that progress on these actions would be assessed through an early validation (by an external, independent

[17] Human Rights Watch, "Azerbaijan: Transparency Group Should Suspend Membership", news release, 14 August 2014.

[18] EITI, 28th EITI Board Meeting, Naypyitaw, 14-15 October 2014, minutes.

evaluation mechanism) to begin on 1 January and completed early in February 2015. Based on the validation, the Board would decide whether Azerbaijan could keep its current status as EITI-compliant, should be downgraded to "candidate" or, in the case that no meaningful progress had been made with EITI implementation, be delisted.

45. The Working Group encourages the Government to work with its partners in the EITI as well as in the United Nations system and the Council of Europe to ensure that independent civil society actors are not obstructed in their work and are able to contribute to well-informed policymaking. While the Government's stated policy objective of greater inclusion of civil society in policymaking is commendable, a basic condition for the success of such a policy is ensuring that civil society actors are able to operate freely.

B. Tackling corruption and ensuring accountability

46. As underlined in Guiding Principle 1, States must project against human rights abuse by third parties, including business enterprises, through appropriate steps to prevent, investigate, punish and redress such abuse. An important aspect of this State obligation is to protect the rule of law and to ensure adequate accountability.

47. As also evidenced by the emphasis given to the "rights of entrepreneurs" in various policy documents, the effort to combat corruption is high on the political agenda. The Azerbaijan 2020 development concept highlights the need to scale up the fight against corruption. The Government has taken a set of measures to combat corruption and abuse of public positions. In 2004, it adopted the Law on Combating Corruption and established the Commission on Combatting Corruption; in 2005, it ratified the United Nations Convention against Corruption. The second national anti-corruption plan (2012-2015), endorsed by presidential decree of 4 September 2012, also includes new provisions to improve the protection of whistle-blowers in corruption-related cases and to limit the immunity of judges accused of corruption. Also, one of the aims of the Azerbaijan Service and Assessment Network (ASAN), established in 2012, is to reduce petty corruption across the public administration by providing citizens with access to a range of public and private services through dedicated service centres and mobile buses.

48. According to information received, corruption is linked to monopolies and a lack of transparency in certain sectors of the economy. In some cases, there have also been irregularities in public bidding processes. Transparency International ranked Azerbaijan 126th out of 175 countries on its 2014 Corruption Perceptions Index.

49. The Working Group notes that a wide range of measures are envisaged under the second national anti-corruption plan (2012-2015), including action to improve the labour and social service administration, to prevent illegal employment and provide persons working in the shadow economy with social rights (sect. 25.1); performance studies on the problems faced by entrepreneurs in their relations with State institutions (sect. 12.1); the establishment of web-based resources and telephone services for receiving information on illegal inspections of entrepreneurial activity, and preparation of proposals for inspecting bodies and inspectors for illegal inspections (sects. 12.3-12.4); and the development of mechanisms for restricting participation in public procurement of natural and legal persons owing to previous violations of competition and execution of transactions on public procurement (sect. 14.3).

50. The Working Group appreciated the frank dialogue held with the State Procurement Agency about efforts under way to address the challenges faced, in particular with regard to transparency. For example, the Agency has commenced publishing the results of public tenders on its website and was in the process of developing guidelines on procurement policy, informed by the United Nations Commission on International Trade Law

(UNCITRAL) Model Law on Public Procurement. The Working Group underlines the importance of States using commercial transactions with business enterprises to promote awareness of and respect for human rights by those enterprises, including through the terms of contracts, as prescribed in Guiding Principle 6. Developing guidelines for public procurement offer an ideal opportunity to do so. As also described in the Guide to Enactment of the UNCITRAL Model Law on Public Procurement,[19] the concept of sustainable procurement allows for States to impose international labour law and human rights standards.

51. The Working Group notes that, pursuant to the amendments to the Law on the Right to Obtain Information, passed in 2012, together with amendments to the State Law on Registration of Legal Entities and the Law on Commercial Secrets, business enterprises are not required to make public information about their registration, ownership or structure. Accordingly, several stakeholders from independent media and civil society organizations alerted the experts to the difficulty of properly identifying certain businesses and their owners in order to monitor compliance with national and international law. While the Working Group understands the value of privacy in business, it believes that an open registry of fundamental corporate information may foster more responsible business actors and boost investor confidence across all sectors.

52. The Working Group took note of recent reports alleging a lack of transparency and apparent irregularities in the trading of oil. Notably, a report issued in 2013 noted a lack of information on the ownership of private companies partnered with SOCAR and on bidding processes or public tenders.[20] The Working Group also noted that an ongoing EITI pilot programme aims to make the disclosure of beneficial ownership of companies operating, investing or bidding on extractive assets mandatory in 2016. The Working Group is of the view that such measures of transparency might help to address suspicion and perceptions of corruption and abuse of position by private companies and public authorities.

C. Oil and gas sector

53. The Working Group held a number of meetings that concern the State's extractive industries, notably the dominant oil and gas sectors and others, such as the aluminium industry. Besides meeting with representatives of the Ministry of Energy, the State Oil Fund (SOFAZ) and the State Oil Company of Azerbaijan Republic (SOCAR), the experts consulted with transnational oil and gas corporations operating in Azerbaijan, including BP (headquartered in the United Kingdom), Statoil (headquartered in Norway) and Total (headquartered in France). In addition, the Working Group visited a domestically owned and run aluminium factory in Ganja, where it discussed environmental issues with the manager and witnessed the factory's labour standards.

54. SOCAR is the main national company involved in the extraction of oil and gas in Azerbaijan. It is entirely State-owned and controlled. As underlined in Guiding Principle 4, States are expected to take additional steps to protect human rights abuses by business enterprises owned or controlled by the State.

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[19] Available at www.uncitral.org/uncitral/en/uncitral_texts/procurement_infrastructure/2012Guide.html.

[20] Global Witness, *Azerbaijan Anonymous: Azerbaijan's state oil company and why the extractive industries transparency initiative needs to go further*, December 2013. In its public response, SOCAR refuted the information provided in the report by Global Witness as biased and based on inaccurate data, see News.Az, "SOCAR issues statement on report 'Azerbaijan Anonymous' by Global Witness", 14 December 2013.

55. In meetings with SOCAR officials, the Working Group noted the poor degree of understanding of the company's human rights responsibilities, particularly when measured against the Guiding Princi[illegible]. Although officials referred to a number of social responsibility projects, such as a number of SOCAR-sponsored cultural centres, the company did not have any specific policy on human rights nor mechanisms for carrying out human rights due diligence.

56. Equally, in meetings with officials at the Ministry of Energy, which regulates the activities of SOCAR and other companies in the energy sector (including AzerEnergy and Azerigaz), the Working Group found that there was very limited awareness of the State's particular responsibility to exercise scrutiny and oversight of State-owned and -controlled companies and to ensure that they conduct effective human rights due diligence.

57. The Working Group was informed that there had been many cases of complaints in the context of projects in which SOCAR was involved, in particular by people whose property had been affected by the construction of plants and pipelines. SOCAR officials explained that these cases were dealt with by national courts. They did not consider that the company, a commercial organization, had any role in facilitating access to grievance mechanisms, including at an operational level, which, as prescribed by Guiding Principles 28 and 29, should be directly accessible to individuals and communities.

58. The Working Group was encouraged to learn that SOCAR, together with an international partner, is carrying out a social impact study in advance of a planned construction project to mitigate adverse human rights impact to the community. The Working Group, however, received no specific information on SOCAR policies and procedures relating to social impact assessments. According to the information received, however, the initiative to undertake such an impact assessment generally came from international partners. While peer learning in the sector is important, the Working Group considers that the Government should intervene to support and, where appropriate, demand human rights due diligence by companies.

59. The human rights risks and impact of large-scale development projects in the oil and gas sectors have been illustrated by the Bakz-Tbilisi-Ceyhan (BTC) oil pipeline, built from 2003 to 2005, crossing through Azerbaijan, Georgia and Turkey. The pipeline is owned and operated by a consortium of 11 energy companies, managed by BP, the largest shareholder (30 per cent); SOCAR is the second largest shareholder (25 per cent). In the face of criticism levelled by civil society groups about a possible negative impact on human rights, BP set up an independent external panel to assess the economic, social and environmental impact of the BTC pipeline project. BP also took initiative to issue a "human rights undertaking", which guaranteed that the host government agreements entered into with the BTC consortium would not limit the ability of host Governments to comply with their obligations under international human rights treaties.

60. Lessons from the BTC pipeline can inform construction of the Southern gas corridor project due to commence in 2015. This mega-project will involve the construction of a 3,500 km pipeline to carry natural gas from in Azerbaijan to southern Italy. The Working Group appreciated the scale of the project when it visited outside Baku the Sangachel terminal (operated by a BP-led consortium), where the pipelines start, one of the largest oil and gas processing plants in world.

61. The pipeline will be made up of three main parts: the South Caucasus Pipeline (SCP) passing through Azerbaijan and Georgia; the Trans-Anatolian Pipeline (TANAP) through Turkey; and the Trans-Adriatic Pipeline (TAP), through Greece, Albania and Italy. Each part will be constructed and operated by different business consortiums.

62. In Azerbaijan, the construction project involves the expansion of an already existing pipeline operated by a consortium of seven major companies, headquartered in seven

different States: BP (United Kingdom, 28.8 per cent), Statoil (Norway, 15.5 per cent), Lukoil (Russian Federation, 10 per cent), NICO (Islamic Republic of Iran, 10 per cent), TPAO (Turkey, 19 per cent) and two Azerbaijani companies: Azerbaijan South Caucasus Pipeline, Ltd. (AzSCP) (10 per cent) and SGC Midstream (6.7 per cent). AzSCP is a commercial affiliated company of SOCAR incorporated under the laws of the Cayman Islands, while SGC Midstream was established by SOCAR as part of the Southern Gas Corridor project.

63. The State's responsibility to ensure adequate human rights due diligence in the construction of the Southern gas corridor extends beyond its own borders, given that SOCAR is the operator and majority shareholder of the TANAP consortium that will construct the 2,000 km-long pipeline through Turkey, and also holds a 20 per cent stake in the TAP consortium.

64. In December 1999, a presidential decree established the State Oil Fund of the Republic of Azerbaijan (SOFAZ), with the objectives of (a) preserving macroeconomic stability, ensuring fiscal-tax discipline, decreasing the dependence on future oil revenues and stimulating the development of the non-oil sector; (b) providing intergenerational equality, retaining oil revenues for future generations; and (c) funding important socioeconomic projects on a national scale. SOFAZ, which operates as a sovereign wealth fund, is also a component of the annual budget.

65. In meetings with the management of the State Oil Fund, the Working Group was impressed by the strategic outlook and prudent approach to managing the wealth generated by oil revenues, particularly in human capital and socioeconomic projects for the benefit of future generations.

D. Construction industry

66. The construction sector has witnessed a veritable boom in the past decade, as seen in the large-scale redevelopment in Baku in particular since 2006. Although jobs have been created in the construction sector, concerns have also been raised about the manner in which expropriations, evictions and demolitions have been carried out and about non-competitive construction contracts having been awarded to well-connected business people.

67. Owing to the brevity of its visit, the Working Group was unable to visit any current construction projects in Azerbaijan, nor was it able to meet with building companies. The experts did, however, discuss the impact of the construction sector on human rights with relevant government departments and civil society organizations, and was informed about a number of public reports on the issue prior to its visit.

68. In this regard, the Working Group recalls the recommendations made by the Committee on Economic, Social and Cultural Rights in 2013 concerning information on cases of forced evictions, unlawful expropriations and demolitions with little or no notice (E/C.12/AZE/CO/3, para. 22). The Working Groups also notes that the European Court of Human Rights, in the case of *Akhverdiyev v. Azerbaijan* of 29 January 2015, found a violation relating to unlawful forced relocation and the demolition of property.

69. According to another report, a number of construction projects had entailed expropriation, evictions and demolitions carried out in a way that was inconsistent with both national and international human rights law.[21] It looked at four areas in Baku,

[21] Human Rights Watch, *"They Took Everything From Me": Forced Evictions, Unlawful Expropriations, and House Demolitions in Azerbaijan's Capital*, February 2012

including the Bayil neighbourhood where the Baku Crystal Hall was constructed before the Eurovision song contest in 2012. The authors reported that the Government's programme of urban renewal, comprising new parks, roads, a shopping centre and luxury residential buildings, entailed the illegal expropriation of hundreds of properties, the forcible evictions of homeowners and the refusal to provide fair compensation based on market values.

70. While the Working Group was informed that measures had been taken to improve urban planning and development, it also took note of information received during discussions held with civil society organizations on the problems that remain. As a number of ongoing and future construction projects are undertaken, such as the White City urban renewal project that aims to redevelop a derelict part of Baku, the Working Group urges the Government and all business enterprises involved to carry out human rights due diligence, in accordance with the Guiding Principles and the specific guidance provided by the Committee on Economic, Social and Cultural Rights (in particular its general comment No. 7), the Special Rapporteur on adequate housing as a component of the right to an adequate standard of living, and on the right to non-discrimination in this context, and in the basic principles and guidelines of development-based evictions and displacement (see A/HRC/4/18, annex I).

E. Labour rights

71. The Azerbaijan 2020 development concept document sets the objective of strengthening efforts to ensure safe and healthy working conditions, including through the preparation of a new State programme. One important challenge is that approximately 67 per cent of the population work without formal labour contracts in the informal economy, and therefore fall outside the protection of the Labour Code. The situation of women in the workplace also requires special attention. It is estimated that only one third of women are in salaried employment and a significant disparity exists between the incomes of men and women.

72. The Working Group welcomes the Government's commitment to increase the minimum wage to 60 per cent of the average income, in accordance with the stipulations of the European Social Charter (in 2014, the minimum wage was equivalent to 22.9 per cent of the average monthly wage). The Working Group was informed that the Government's objective was to gradually increase the minimum wage so that it would be equivalent to 30.8 percent of the average monthly wage by 2018, 41.4 per cent by 2018, and 60 per cent by 2020. The Working Group urges the Government to act on that commitment and thus address the large number of workers on low incomes. It noted that the current minimum wage is below the national poverty line. In this regard, it also notes the observations of the ILO Committee of Experts on the Application of Conventions and Recommendations, in which it requested the Government to indicate the measures it intended to take so that the national minimum wage could provide low-paid workers with a decent standard of living.[22]

73. Ongoing efforts to ensure registration of labour contracts, notably through the electronic information system under the "e-Government portal", should improve oversight of labour conditions, including issues related to working children in the informal economy. In this regard, the Working Group recalls the recommendations made by the Committee on the Rights of the Child in its concluding observations in 2006 (CRC/C/AZE/CO/2) and a study by the Statistical Committee of Azerbaijan and ILO-IPEC in which it was estimated

[22] Direct Request (CEACR) – adopted 2011, published 101st ILC session (2012) concerning the Minimum Wage Fixing Convention, 1970 (No. 131) – Azerbaijan.

that more than 156,000 children under the age of 18 were engaged in some form of economic activity.[73]

74. The Working Group noted how persons with disabilities face particular challenges. In this regard, the Government has established a quota system requiring private companies to hire a certain percentage of their workforce for citizens with specific social protection needs and who would otherwise have difficulty in finding employment (decree no. 212 of 23 November 2005). Depending on their number of employees, companies must reserve between 3 and 5 per cent of workplaces for such persons, including people with disabilities. Despite such measures, however, the ILO reports that the proportion of disabled persons involved in labour activity has declined over the past decade.[74] In the information received, the main problems identified related to inadequate accessibility of work places to persons with disabilities and inadequate control and sanctioning of non-compliance with the prescribed quotas reserved for vulnerable groups. Furthermore, in May 2014, the Committee on the Rights of Persons with Disabilities, noting that the number of people benefiting from the quotas was very low, recommended that the Government ensure enforcement through effective sanctions and complement such efforts with programmes to enable persons with disabilities to participate effectively in the labour market (CRPD/C/AZE/CO/1, paras. 42-43). According to statistics provided by the Government, as at 1 January 2015, the number of able-bodied persons with disabilities was 494,988, while the number of quota jobs identified by the State Employment Service in 2014 totalled 2,275 in 758 enterprises, including 1,100 jobs for persons with disabilities.

75. The Working Group also discussed these issues with the Office of the Commissioner for Human Rights of the Republic of Azerbaijan (Ombudsman), which has assumed the functions of the independent monitoring mechanism specified in article 33, paragraph 2 of the Convention on the Rights of Persons with Disabilities.

76. During its meetings, the Working Group was able to explore the work of the State labour inspectorate in monitoring and enforcing laws and regulations concerning occupational health and safety, including through regular on-site visits. It also discussed these issues with workers and the management of an aluminium plant in Ganja, employing 1,400 workers. Although the Working Group was informed that health facilities also reported accidents to the labour inspectorate, it was unclear whether this was consistently done in practice. The experts observed that there was a need to improve further the collection of data on occupational health and safety, including through closer cooperation between the Ministry of Labour and the State Statistical Committee.

77. The Working Group also explored the situation of trade unions and issues relating to collective bargaining. Even though the practice of collective bargaining is still relatively new in the Azerbaijan, the number of collective agreements has steadily grown in recent years, from 9,460 in 2001 to 11,890 in 2010.

78. The Working Group noted that more than 85 per cent of workers currently belong to one of the approximately 1,600 trade unions in the country. The Trade Unions Act of 1994 stipulates that a trade union may be set up by a minimum of seven people, should be allowed to work without interference, and that discrimination against trade union members is prohibited. The Working Group nonetheless heard reports that, in practice, trade unions did not always act fully independently of the Government. It also noted the observation of the ILO Committee of Experts on the Application of Conventions and Recommendations, on the need for additional measures to encourage and promote collective bargaining

[73] State Statistical Committee of Azerbaijan and ILO-IPEC, *Working children in Azerbaijan: The analysis of child labour and laboring children surveys*, 2005.

[74] ILO, Decent Work Country Profile: Azerbaijan, 2012, p. 33.

between trade unions and employers and their organizations, without interference by the public authority.[25]

79. During its meeting with national trade union representatives, the Working Group heard their accounts of problems related to the right to join trade unions of workers in multinational companies in the oil and gas sector. The representatives of the Azerbaijan Trade Union Confederation complained of the difficulties posed in establishing trade unions within the said companies. Similar concerns were raised with ILO by the International Trade Union Confederation, noting in its above-mentioned observation that, "despite an adequate protection of trade union rights in law, trade union activities in multinational companies were often reprimanded in practice, that employers often delayed negotiations, unions rarely participated in determining wage levels and were often bypassed in the conclusion of bilateral agreements between the Government and multinational enterprises".[26]

VI. Access to remedy

A. State-based judicial mechanisms

80. Ensuring access to effective judicial mechanisms is an essential component of the requirements set out in the Guiding Principles. In dealing with business-related human rights abuses, accessible and effective judicial remedies are particularly important in the light of the imbalances between the parties to business-related human rights claims.

81. In discussions on the challenges faced with regard to access to remedies for business-related human rights abuses, government officials highlighted the various judicial mechanisms in place to address such grievances, including the labour inspectorate and the accessibility of courts throughout the country. The Ministry of Justice informed the Working Group that a system was in place to provide free legal aid to needy families. At the same time, it was clear from the Working Group's meetings with a range of civil society actors that there were also concerns about the effectiveness of the court system in some cases. Such concerns are also reflected in the National Anti-Corruption Action Plan (2012-2015), which includes the preparation of proposals "on limiting the scope of immunity of judges from criminal prosecution in the context of combating corruption".

82. The Guiding Principles highlight how corruption can block access to effective remedies for human rights abuses by business enterprises. The commentary to Guiding Principle 26 clarifies that States should ensure that the provision of justice is not prevented by corruption of the judicial process, and that courts are independent of economic or political pressures from other State agents and from business actors. To ensure that agencies tasked with enforcing and monitoring compliance with laws, regulations and policies that require business enterprises to respect human rights are effective and accountable, the Working Group particularly encourages anti-corruption efforts focused on the integrity of officers involved in law enforcement at the district level and in the judicial sector.

[25] Observation (CEACR) – adopted 2013, published 103rd ILC session (2014), Right to Organise and Collective Bargaining Convention, 1949 (No. 98) – Azerbaijan.

[26] Ibid.

B. State-based non-judicial grievance mechanisms

83. In addition to courts and administrative tribunals, non-judicial mechanisms also play an important role in ensuring access to remedy for business-related abuses. In particular, national human rights institutions are often empowered to examine complaints on human rights violations. This is also the case of the Ombudsman.

84. According to the annual report of the Ombudsman, in 2013, the Office of the Ombudsman, including four regional centres, received 13,670 appeals, of which 75.8 per cent were complaints. The complaints typically concerned issues such as delivery of identity cards, registration, responses to information queries, land and property, damage caused by natural disasters, pensions and allowances, social aid, restoring the work place, the execution of court decisions, and payment of alimony and loans. A total of 709 complaints concerned violations of labour rights, in particular failure of the employer to pay (or to pay when due)wages, employment without a regular work contract, long-term leave or dismissal without payment. According to the Ombudsman, in most cases, the rights of citizens were upheld following due investigation.

85. The Working Group was informed that the Ombudsman is not empowered to consider complaints concerning business enterprises. The Ombudsman may, however, cooperate with State authorities to investigate complaints about business stakeholders. The Ombudsman has in fact established a working group on business and human rights with the objective of promoting corporate social responsibility. According to the annual report of the Ombudsman for 2013, one of the priorities of the working group is to define the mechanisms for investigation of complaints and for the elimination of violations, ensuring their effectiveness, conducting monitoring in workplaces jointly with authorized bodies on protection of labour rights, set-up of a hot-line service, and strengthening measures to eliminate discrimination in labour relations. To date, the Working Group has held discussions on such themes as "Child rights and business", "Observing ecological requirements in the realization of business", "Business and women's rights" and "Protection of rights of persons with disabilities from the context of business and human rights".

C. Non-State-based grievance mechanisms

86. Although the Working Group was informed about a number of grievance mechanisms currently operated by multinational corporations present in Azerbaijan, there seemed to be little understanding of the value of such non-State grievance mechanisms by local companies. While operational-level grievance mechanisms are not meant to substitute judicial mechanisms in cases of more serious human rights abuse, they can play an important role in providing access to remedy for individuals or communities who are adversely affected by a business enterprise, as also explained in Guiding Principle 29.

VI. Strengthening the policy framework

87. One of the stated objectives of the Azerbaijan 2020 development concept is to develop "a strategy and State programme on corporate responsibility". The Working Group encourages the Government to realize that objective through an open and inclusive process, in cooperation with businesses and civil society, to develop a comprehensive national plan of action on business and human rights that draws on the Guiding Principles. Such a process could build upon and draw experience from different initiatives already under way, including the national action plan and programme on human rights, and multi-stakeholder

dialogue conducted through the *Extractive Industries Transparency Initiative*, national councils and State committees.

88. In December 2014, the Working Group issued specific guidance for the process of developing a national action plan on business and human rights. The Working Group considers that such national action plans, and the process to develop it, should ideally provide for (a) greater coordination and coherence within government on the range of public policy areas that relate to business and human rights; (b) an inclusive process to identify national priorities and concrete policy measures and action; (c) transparency and predictability for interested domestic and international stakeholders; (d) a process of the continuous monitoring and evaluation of implementation; (e) a platform for ongoing multi-stakeholder dialogue.

89. The process of developing a national action plan on business and human rights should also involve the identification of ways to improve access to remedy for victims of adverse business-related human rights impact through both State-based and non-State-based grievance mechanisms, in accordance with Guiding Principles 25 to 31.

VII. Conclusions and recommendations

90. **The Working Group notes the political commitment of the Government of Azerbaijan to the Guiding Principles on Business and Human Rights, and its pledge to develop a national action plan to implement them.**

91. **The meetings held during the visit with Government officials and local business enterprises revealed that issues concerning business and rights are not well understood or known about.**

92. **Free and vibrant social dialogue is critically important to the promotion of business and human rights. Consequently, the Working Group is deeply concerned at the plight of independent civil society organizations in Azerbaijan; in particular, the arrest of prominent human rights defenders suggests that the opportunity to air views in open discourse is severely limited. In this way, policymakers are denied valuable input and opinions, their consideration of which might significantly benefit the State's development.**

93. **The specific recommendations of the Working Group are made on the assumption that all actors – the Government, business enterprises, civil society organizations and international development partners operating in Azerbaijan – respect and abide by the Constitution and international human rights standards.**

94. **The Working Group recommends that the Government:**

(a) Raise awareness and build the capacity of civil servants and lawmakers on issues concerning businesses and human rights from the perspective of the Guiding Principles;

(b) Set out clear expectations in government policy that any and all business enterprises in Azerbaijan respect human rights throughout their operations;

(c) Require all State-owned or -controlled companies to perform human rights due diligence, for both their domestic and international operations;

(d) Develop a national action plan on business and human rights based on the guidance on national action plans on business and human rights developed by the Working Group;

(e) Strengthen mechanisms for multi-stakeholder dialogue on business and human rights issues, for example by building upon the working group on business and human rights coordinated by the Office of the Commissioner for Human Rights (Ombudsman);

(f) Allow independent civil society non-governmental organizations to operate without bureaucratic hindrance or denial of legitimate funding for their activities;

(g) Enable the media and civil society to be effective checks on both business enterprises and public officials by increasing transparency on business activities, corporate governance and other public registry information;

(h) Expand the number of Azerbaijan Service and Assessment Network centres to facilitate the exchange of information about and ensure the accessibility of public services;

(i) Require that those who may be affected by development activities receive timely and complete information about planned projects, such as for urban renewal, and that people are not evicted from their homes without prior consultation and consent, or agreed compensation with provision for human rights safeguards;

(j) Include human rights considerations in public procurement policies, including the corporate responsibility to protect human rights in the terms of procurement contracts;

(k) Integrate the responsibility to conduct human rights due diligence into State-investor contracts, and concessions for extraction of natural resources and production-sharing agreements;

(l) Support the further development and strengthening of tripartite social dialogue, including the full independence of trade unions, and ensure that proposals made by social partners are taken into consideration in policymaking;

(m) Step up efforts to ensure that the national minimum wage provides low-paid workers with a decent standard of living;

(n) Improve collection of data on the situation of groups that may be vulnerable to discrimination and abuse, including working children;

(o) Strengthen measures to allow persons with disabilities to have access to the labour market, including improved oversight of the compliance of enterprises with the prescribed quotas reserved for persons with disabilities;

(p) Conduct a review of access to effective remedy with a view to strengthening both judicial and non-judicial mechanisms to identify and effectively address business-related human rights abuses;

95. **The Working Group recommends that business enterprises:**

(a) Comply with their responsibility to respect international human rights and labour standards, including by adopting a human rights policy, conducting human rights due diligence, to identify, prevent, mitigate and account for how they address adverse human rights impact, in compliance with the Guiding Principles;

(b) In assessing actual or potential adverse human rights impact, ensure meaningful consultation with potentially affected individuals and communities, paying particular attention to potentially vulnerable or marginalized groups, and ensuring that they have timely and complete information about proposed projects or changes that may affect them;

(c) Pay special attention to how different risks may affect women and men differently, for example, with regard to projects involving land and resettlement;

(d) In cases where this can serve to identify and address adverse impact, establish or participate in operational grievance mechanisms in accordance with the criteria set out in Guiding Principle 31;

(e) Engage in the development of the national action plan on business and human rights;

(f) Engage with the Global Compact Local Network in Azerbaijan and with business associations to promote, and learn from the experience of others in, the implementation of the Guiding Principles;

(g) Use their leverage, where appropriate, to raise human rights concerns with the Government.

96. **The Working Group recommends that civil society organizations:**

(a) Assist in raising awareness about the respective obligations and responsibilities of State and business enterprises under international human rights laws to prevent and address adverse human rights impact related to the operations of business enterprises;

(b) Engage in the development of the national action plan on business and human rights.

97. **The Working Group recommends that international development partners support the Government's efforts to protect human rights, and promote corporate respect for human rights, including by strengthening institutions charged with overseeing business activities and by creating space and platforms for multi-stakeholder dialogue.**

98. **The Working Group recommends that the home States of transnational business enterprises operating in Azerbaijan clearly set out the expectation that business enterprises domiciled in their territory and/or jurisdiction respect human rights in all their global operations, as stipulated by the Guiding Principles.**